FBIS DAILY REPORT

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ARMY COMMANDER TO SWEAR IN NEW PRESIDENT

PA301346 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1327 GMT 30 Jun 82

[Excerpt] Buenos Aires, 30 Jun (NA) -- Maj Gen (Ret) Reynaldo Bignone, who has named his full cabinet and disclosed the basic guidelines for his administration, will be sworn in as president of the nation tomorrow before the exclusive presence of the commander of the army, Lt Gen Cristino Nicolaides.

The ceremony will be held in the White Room of Government House. The commanders of the navy and air force will not be present. The ministers of the Bignone administration will be sworn in Friday.

ARMED FORCES COMMANDERS IN CHIEF MEET 30 JUN

PY010218 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0145 GMT 1 Jul 82

[Excerpt] Buenos Aires, 30 Jun (NA) -- The three commanders in chief met again tonight in a clear effort to reach agreements which would be instrumental in reorganizing the power structure. This effort involves the possibility of naming a civilian as vice president.

Lt Gen Cristino Nicolaides, Adm Jorge Isaac Anaya and Lt Gen Basilio Lami Dozo have been seeking a formula which would again bring cohesion to the armed forces and as of tonight no significant progress has yet been made in this respect.

NAVY SOURCE EXPLAINS BREAKING AWAY FROM PROCESS

PY010357 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0220 GMT 1 Jul 82

[Text] Buenos Aires, 30 Jun (NA) -- A reliable navy source explained tonight that the navy broke away from the political management of the process because no agreement was reached by the commanders of the three forces.

The remarks by the spokesman were a clear answer to a statement, attributed to Lami Dozo in Cordoba, whereby the navy was virtually blamed for leaving the solution of the crisis in the hands of the two other forces and for opposing the appointment of a civilian vice president.

The source stressed that Adm Jorge Anaya proposed the three following alternatives during the talks held after the fall of Puerto Argentino and the stepping down of General Galtieri:

-- Designation of a civilian president, sponsoring either Nicanor Costa Mendez, Jorge Aguado or Rafael Martinez Raymonda.

-- Designation of Maj Gen Alfredo Saint Jean or a retired general.

-- Designation of a military junta member who will retire.

Finally, the source went on, the navy [words indistinct] the designation of Maj Gen Reynaldo Bignone, but the navy decided to give up its responsibility in the political management since no agreement was reached.

During the talks, the navy's unchanged position was that the government to succeed the one headed by Galtieri should be a transitional government leading to a constitutional regime.

Admiral Anaya reportedly insisted that, under the prevailing political circumstances, the presidency should be assumed by a civilian, for which purpose the basic documents of the process had to be amended.

He also reportedly remarked that the designation of the new president should be effected quickly due to the negative effects involved in the waste of time and the sensitivity of the population toward any difference of opinion among the forces.

The navy proposed that as soon as the new president was designated, the leaders of parties and of the other sectors should be told that a transition period was started. The navy also proposed that the new president should formulate the political and socioeconomic plan of his government with the help of the above leaders.

LAMI DOZO DENIES RUMORS ON HIS RESIGNATION

PY302353 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2230 GMT 30 Jun 82

[Excerpts] Buenos Aires, 30 Jun (NA) -- Air Force Commander in Chief Lt Gen Basilio Lami Dozo said today that the reunification of the power system is a matter "to be dealt with by the three commanders." Asked whether he would retire at the end of the year, he replied: "I have made no such decision."

Lami Dozo made these remarks upon returning this afternoon from a visit to the Cordoba air garrison where he briefed air force commanders on the position of the force during the present stage of the military process.

Lami Dozo made brief remarks at the metropolitan airport upon arriving from Cordoba.

Questioned whether the commanders in chief analyzed yesterday at the military junta meeting a "reunification" of the armed forces after the air force and navy broke away from the management of the process, he answered: "I can make no comments on that. The matter is to be dealt with by the three commanders." He made no further comments in this regard.

Asked about the steps being taken in the international area concerning Argentina's claim for sovereignty over the Malvinas, he said steps "are being taken as planned."

Then he was asked: Has Argentina accepted UN Security Council Resolution 502? He answered: "Not at all."

Asked about rumors that he will resign at the end of the year, Lami Dozo said: "I have made no such decision, and I don't know where they (the newspapers) might have heard about it."

He announced that he will make inspection visits to air force units in rural areas tomorrow and next week, adding that for the time being "no new meetings by the military junta are foreseen."

DEFENSE MINISTER-DESIGNATE INTERVIEWED

PY010252 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 1 Jul 82

[Undated interview with Defense Minister-designate Julio Martinez Vivot in the "60 Minutes" news program -- recorded]

[Text] [Question] Dr Martinez Vivot, we know that since you have not taken over yet you cannot make categorical statements, but we would like to know your opinion on essential matters such as whether the Malvinas war should or should not continue.

[Answer] Well, I think that in order to answer that question it is necessary to know whether the Malvinas war has ended. The circumstances apparently indicate that the war has not ended.

[Question] What are the requirements that the British should comply with in order to put an end to hostilities?

[Answer] I believe that it is the military committee who could give a precise answer to that question which, at least for the time being, I cannot answer.

[Question] Concerning the Beagle dispute, do you think it should be finally solved by this government in which you will participate, or should negotiations be extended until a constitutional government tackles it?

[Answer] Well, I read in today's newspapers some reports about postponing the issue until a constitutional government takes over, but what I actually know about the Beagle case is what all of us Argentines may have learned either through the press or as a result of our concern over the issue. I could not give you an answer in this case either, because each of the two alternatives may have its own advantage and each of the two can be an answer.

[Question] A last question: You are a doctor of law, and one usually thinks of defense in terms of uniforms, war actions and the military profession. What is the relationship between jurisprudence and defense?

[Answer] Well, I believe defense has nothing to do with jurisprudence, but it does have to do with love for the homeland and with affection for the armed forces, with which I have had close ties based on feelings, on affection, on the fact that my great-grandfather and grandfather were generals, on the fact that to some extent I have devoted 32 years of my life to teaching at the military school, on the fact that I have been adviser to Admiral (Bardi) at the Social Welfare Ministry, where I also worked close to many air force officials. I believe that we civilians should undoubtedly appreciate the worth of the armed forces, and I as a civilian will work at the Defense Ministry together with citizens who are either members or leaders of the armed forces with the purpose of successfully guiding our country -- something all of us wish.

[Question] Thank you very much. We wish you success.

[Answer] Thank you, that is what all of us want.

SAINT JEAN ON MILITARY JUNTA RAPPROCHEMENT

PY010208 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0033 GMT 1 Jul 82

[Text] Buenos Aires, 30 Jun (NA) -- Gen Alfredo Saint Jean, outgoing interior minister and interim president, stated tonight that the crisis that caused the navy and the air force to abandon the leadership of the process "is transitory" and that it "should be reverted, thus permitting a return to centralized leadership by the military junta."

He also dismissed the importance of the possible absence of Adm Jorge Anaya and Lt Gen Basilio Lami Dozo at the inauguration ceremony of President-designate (Ret) Gen Reynaldo Bignone. He then added that "should they not attend the ceremony, they will be properly represented."

On a different subject, Saint Jean said that "most of the civilian provincial governors will be confirmed in their posts," but the fate of the military governors "will depend on the decision of the commanders of each army branch."

Saint Jean said goodbye tonight to the journalists accredited to Government House and on this occasion he referred to the future promulgation of the political parties statute by saying that "it is ready and up for consideration by the highest government level."

He then toasted "the return of the Malvinas Islands to the national patrimony", adding that "their recovery stands as a landmark that will be up for the future to reassert, thus vindicating the effort made by this generation."

Saint Jean then revealed that, after the removal of Gen Leopoldo Galtieri, he personally had worked "together with other members of the armed forces to find a solution to the problem created by the designation of General Bignone as new president."

SAINT JEAN TO BECOME IV CORPS COMMANDER

PY302303 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2248 GMT 30 Jun 82

[Text] Buenos Aires, 30 Jun (NA) — Maj Gen Alfredo Oscar Saint Jean will be new commander of the IV Corps, which is stationed in Santa Rosa, La Pampa.

The announcement was made tonight at Government House by Saint Jean himself, upon bidding farewell to newsmen accredited at Government House, as he left his posts as interior minister and acting president.

LA NACION COMMENTS ON NATURE OF REGIME, POWER

PY300127 Buenos Aires LA NACION in Spanish 24 Jun 82 p 7

[Carlos Floria commentary: "The End of a Regime"]

[Text] The first political consequence of the military defeat was the inglorious demise of General Galtieri as both commander in chief of the army and president of the nation. I will mention these things as they happened and not as they should have happened in keeping with the importance of the previously mentioned roles in a constitutional state.

The second, and undoubtedly more relevant political consequence, took place on Tuesday, 22 June 1982: the end of the military regime. The withdrawal of the navy and the air force was somewhat more than just a step aside; it was a decision which placed the political power in the hands of the army, ended the military coalition in government and revealed the dangerous nature of the present crisis.

The end of the military regime was not a natural result of a deliberate, rational and intelligent transition. Such a result would have been a worthy political experience. The transition from a noncompetitive and authoritarian regime to a competitive and democratic one is one of the greatest tasks in our experience. It requires ability, acumen, rationality, moral standing and luck from the leading actors, virtues without which -- at least as far as politics are concerned -- it is very difficult for things to turn out reasonably well. This task also demands considerable realism from the leaders and a certain amount of awareness from them and the community of what living in a civilized and stable political regime means. None of this was present at this sad ending which taught no lessons and in which those responsible were unable to contribute a single gesture which would at least signal to society that in the final analysis power is the way man serves man. Neither did they signal that when one does not know how to exercise power or when unwanted consequences overcome allegedly positive intentions those who gained power thanks to chance or because of certain corporate rules and regulations, should step down and depart, preferably in silence, letting that gesture speak for itself.

The end of the military regime has therefore left an ethical and political wake. From the ethical point of view, Argentine society has been punishing its greater or lesser leaders who did not fulfill their duties by isolating them, leaving them in a vacuum. It is not just a "power vacuum" but a "societal vacuum."

And whenever the right to lead does not come from the society, as it has been for approximately 25 centuries, there can be no effective leadership, power or government. A few years ago we said that if a military commander read a statement similar to that which General Pistarini, then commander in chief of the army, read on the eve of the June 1966 coup d'etat, most Argentines would have concurred on the implied diagnosis unfair and arbitrary in 1966. The statement was unusually proper in 1971. If honest, spiritually free civilians and military men read with an open mind the proclamation which justified the military's intervention in 1976, and it did justify it, what would they think of it today?

The end of the military regime may or may not improve the health of the republican system which Argentina needs. It is a two edged sword. A regime is viewed as such when it has internal rules and regulations, when it allows a flow of disagreement between the power elites without reaching the point of a crisis, when it has rules for succession that are respected by the leaders, then there is a regime irrespective of its overt ideology or basic characteristics. A military regime, which by nature is bound to be autocratic and therefore transitory, can carry out the complex task of a "transition" which in this case usually goes through a kind of a joint regime to arrive, with better political means and habits, at the competitive and constitutional regime which we believe to be the best of those tried out by practical men. The result of the war merely confirmed the failure of the military regime launched in 1976 and terminated in 1982 without fulfilling any of its most relevant objectives.

Thus we now have a military government, as if we had gone back through a time tunnel to traditional militarist experiments of the confused Argentina that exploded in the crisis of the thirties. The question now is whether a military government will be able to carry out a transition period which in postwar times appears to be, out of necessity, brief, demanding and much more difficult amid factional temptations which recurrently crop up like old Argentine sins. It would seem that the fatherland demands from us supreme efforts toward rationality, clarity and at least a modicum of greatness in those who, being in power are also in the limelight and therefore have the chance to teach some public lessons aimed at achieving an intelligent peace.

The most basic political realism urges the armed forces to resolve their internal conflicts, to begin advocating simple and basic rules for the necessary transition, and to become once again the legions of the nation and not the cyclic pretorians of an exhausted civilian society dangerously prone to feelings of decay and ruin, the historical prelude to even worse eras. The political leaders and the social leaders in general, must help follow this path and none other, with the provision that the military power and not the republic must put an end to the war cycle. Contemporary history teaches us that this is the proper thing to do.

The military regime is over. The question now is whether it died to let the republic live.

EDITORIAL ASSESSES STATE OF UNCERTAINTY

PY300154 Buenos Aires CLARIN in Spanish 22 Jun 82 p 14

[Editorial: "The Feelings of the Citizens"]

[Text] Whoever has the required interest or time to sound out people on the street will notice a steady feeling of sadness, rage and helplessness among the citizens. It is not only because of the heartbreaking events in the Malvinas. The uncertainty has now spread to the very destiny of the country, which seems to have lost its bearings while the domestic trends, both on the civilian and military levels -- and more worrying on the latter -- seem to have lost their bearings.

The Malvinas tragedy has but magnified, like loudspeakers placed in a musical fountain, public uncertainty. The present political process -- as said originally -- viewed the subversive and the corrupt as its only enemies. It would fight them in order to later install a modern and strong democracy. It likewise sponsored a production economy. Based on these proposals, the military government achieved a high level of consensus at the beginning, later dissipated and lost to the very extent that other proposals dissolved into nothingness -- except the fight against subversion -- while the process excessively lingered on through its own inertia.

It was necessary to fight against subversion to prevent the disintegration of the nation. Excesses were not needed, and the public authorities themselves have regretted this without remedying its consequences. The economic leadership, far from encouraging work, production and greatness of the country, maintained a scheme which diminished the extent of our productive capacity, resulting in a steep drop in all aspects of production, from consumption to investment, from output to salaries. The structure of industry, which had been built through decades of huge effort, was exposed to the indiscriminate entrance of imported products, forcing industrialists into an economy whose inspiration lies in the enclaves which multinationals own in Singapore or Hong Kong. Regional economies were squashed flat, as was industry. Speculation was rewarded. Mismanagement of enterprises multiplied in time with desperation.

There were no splendid results in the search for a decrease in inflation. Millions of people have lost their homes and their savings through the mere act of accepting debt secured by a mortgage. The country was convulsed with the exodus of scientists, professionals and technicians. The country, at the brink of the most critical crisis in its history, due to an artifical dollar exchange rate, was for a long time encouraged into suicidal tourism, paid by the difference in prices of goods purchased abroad but impoverishing the country. A crazy wind seemed to push the actions of the Argentines, engaged in their own multiplied foreign debt, increased tax pressure, did not trim the overgrown state apparatus and turned the country into a sort of gigantic financial "bicycle."

Rejection of all this has been gradually accumulating. At the beginning of the year an unbearable situation could be seen. Social tensions were easily felt. Political parties began to seek and propose alternative paths. Impoverishment of the interior of the country began to exert pressure on Buenos Aires. Cultural decay was already difficult to probe.

Then the Malvinas recovery occurred. All sectors forgot their affronts and postponed their problems to generously support such a great national cause. The citizens simply relied upon those who were capable of deciding the right moment and ponder the consequences of the step taken. They refused to accept that the initiative was dependent upon calculations related to the gratification of power. Be that as it may, any sacrifice to support the war effort was necessary.

The first vote at the UN Security Council showed how weak the assumptions about international consensus were. Later, the increased adverse profile of the North American position made more objective difficulties, while the successive opportunities to negotiate were lost. The official propaganda which heralded a supposed triumph made a thorough mobilization of the country behind its soldier, difficult (one must think about the conflicting course of the economy.) A few hours before the fall of Puerto Argentino, most of the people believed that victory was within reach. This tarnished the heroism of our soldiers even more if viewed from the proper perspective.

Therefore the astonishment of the citizens about the outcome; therefore the contradictory, inconstant and even -- regrettably -- violent reactions; therefore the public feeling regarding the need for all Argentines, both civilians and military, who were responsible or not, to definitively turn the page of the experience lived and begin to look each other in the eyes, thinking about the country and its future. "Truth will save you," the gospel preaches.

What is happening now, the difficulty in appointing a new president of the country and predicting the final outcome of the process, does nothing but change anguish into suffocation. The point is that the citizenry no longer accepts that sectorial interest prevail over the higher interest of the nation. Many things are finished, even though they continue being expressed, beyond reality.

LA NACION URGES UNITY, NATIONAL CONSOLIDATION

PY301332 Buenos Aires LA NACION in Spanish 22 June 82 p 6

[Editorial: "The Fatherland Belongs to Everyone"]

[Text] In any historical process, any critical point determines an inflection point. In geometry this word means a change in the course of a curvature and, socially, it means the need to change the course of the leadership.

The fatherland belongs to everyone. It is necessary and urgent that those who have had the power of decision through difficult years agree on the need for full participation of the community in building the nation.

As we have all known, the existence of a national cause determines a reciprocally related national unity. If the struggle we had to face determined such unity, it is now imperative for us to dedicate ourselves, with the same devotion as in the battle and at all levels of society, to strengthening the structures of the country, to stabilizing the institutions, to shoring up by all possible means the democratic republic which lies at the root of our existence as an independent country; and, therefore, to giving appropriate respect to the standards established by our magna carta.

To make this possible, it is absolutely necessary that a true democratic spirit burn among the citizenry and its leaders. Those who have assumed the responsibility for leading the country must particularly reflect on this.

When everyone makes the decision, the responsibility for an action is then shared. Otherwise, everyone suffers the consequences even though everyone is not equally responsible.

There is no worst enemy to the strengthening or the definitive growth of the country than rhetoric. For hard long years -- a time which should not be repeated -- there was talk about "change", later, there was talk about "dialogue." But neither the adjustments that the country needed nor the fruitful and clarifying dialogue went beyond rhetoric.

It is necessary, furthermore it is urgent, that the national devotion which we have just shown not dissolve into a gloomy reality refusing dialogue. It is not appropriate to extend a situation demanded by the terrorism of a particular moment into a scheme of power which runs the risk of reflecting an unawareness of collective opinion. Argentine unity, so urgently needed for the development of the country, proved to be strong and active when we were summoned by a national cause. No decree, no imposition will be fruitful if Argentines do not feel that they are participating in the great task of building the nation. This is the duty of all, not the privilege of just a few. Institutionalization must be visible; the blood shed urgently demands this.

The sufferings of the war will have a productive result if they are encouraged to grow into a strong and stable democracy. This will be a decisive event in the process for national consolidation.

An opening as well as sincerity are imperative and should not be delayed further. Only the political extremes which did so much harm to the country should be excluded.

It must be understood, in the name of the dead, the wounded and the mutilated, that Argentina cannot have children and stepchildren. The fatherland belongs to everyone. If everyone was needed to courageously face bullets, everyone is needed to reflect on the great national problems and to take the measures demanded by the situation.

The republic is not an enterprise for just a few. Our recent experience has just proved it. Each one in his post is equally important.

HERALD EDITORIAL CALLS FOR END TO CENSORSHIP

PY301807 Buenos Aires HERALD in English 30 Jun 82 p 10

[Editorial: "The Shadow of the Censor"]

[Text] To the surprise of nobody either inside or outside the country the military authorities tightened their control of the nation's press during the South Atlantic war. They gave editors a list of guidelines that, if interpreted strictly, would have transformed the press into a branch of the state's information services. In fact, however, they were fairly loosely applied, chiefly because the press backed the country's war effort to the hilt and was not at all disposed to help the enemy in any way at all by spreading gloom and despondency among the Argentine population. After digesting the official guidelines the press continued much as before, publishing whatever it thought its readers should read with editors using their own discretion as to whether reports from local or foreign sources would "produce panic" or "damage national unity." Given the mood of the country at the time, the official guidelines were in large measure superfluous. Remarkably, there was very little prior censorship -- on one occasion the press was asked by the chiefs of staff not to print a particular item. All in all, it is quite probable that the picture the press gave of the course of events in the South Atlantic would have been much the same had the guidelines never been issued at all.

Nonetheless, the guidelines existed and, what is more, they still exist and could conceivably be applied even though actual fighting appears to have come to a definitive end despite occasional suggestions to the contrary. They remain a threat hanging over the nation's press which could be used by a government arguing that the struggle is continuing by non-military means and that the Argentine cause will be weakened if newspapers do anything that could be construed to encourage disunity or make official information look untrustworthy. They are phrased so broadly that, if vigorously applied, they would stifle all free debate about the country's problems. And, what is more, an organization was set up to clarify "doubts" and, it may be assumed, to enforce the guidelines should this be thought necessary. In the absence of any information to the contrary this organization is presumably still in being.

The country has had unhappy experiences with "emergency" regulations or institutions that have been allowed to linger on long after the original emergency that justified them has passed into history. The most notorious, needless to say, is the "state of siege," which has been around for so many years now that it has become for all intents and purposes a permanent part of the Argentine landscape.

It is to be hoped that the same thing does not happen to the wartime guidelines that were issued by the government when the fighting began. There have been many occasions on which the press has suddenly found itself confronted with legislation it thought had been rendered obsolete long ago and, unless the guidelines are definitively scrapped, there will always remain the possibility, however remote, that some government may see fit to resurrect them. The president-designate has earned good marks for his willingness to treat civilian politicians as intelligent interlocutors. His amdinistration would get off to a better start if he were to do away with the barriers to press freedom he is inheriting from his predecessors, among which the guidelines drawn up in wartime must be numbered.

TELAM SEES REAGAN'S 'CLIQUE' GAINING GROUND

PY302135 Buenos Aires TELAM in Spanish 0957 GMT 30 Jun 82

[Cecilio Jack-Viera commentary: "Haig's Replacement: What Can Be Expected"]

[Text] Buenos Aires, 30 Jun (TELAM) -- One of the most frequent questions currently being asked in all political circles is: What can be expected of George Shultz, Haig's replacement at the State Department? That is, what can be expected concerning the Malvinas issue.

It would be extremely arrogant for Argentines to presume that the change took place as a result of Haig's mistakes in the South Atlantic matter.

Undoubtedly it would be an exaggeration to believe that Haig fell because of us, but it would be equally wrong to believe that Haig's departure had nothing to do with the matter that interests Argentines so much.

The fact is that Haig's departure has been motivated by an accumulation of errors in the leadership of U.S. foreign policy. Neither the situation in Poland, nor in the sensitive Middle East, nor in Central America, seem to have improved during the general's term at the State Department, and this legacy of the Carter administration has been further worsened by the new developments in the South Atlantic.

However, there is still another factor which must be taken into account when evaluating Haig's fall: The United States is beginning to discuss presidential candidates and Haig wants to be Reagan's successor instead of Bush, the current vice president, who has the same aspirations.

Therefore, Haig's demise marks the beginning of an obvious and publicly known division within the Republican Party, with regard to both domestic policy and global strategy.

For the time being, not enough is known about Shultz to be able to forecast how he will deal with the various matters at hand. However, his connections with the Bechtel Co of San Francisco with which Secretary of Defense Caspar Weinberger is also involved, allows us to assume that Reagan's Californian clique is gaining ground.

Speaking in general terms one could say that we are witnessing the age-old struggle between the West (California, Texas) and the East (New York, Chicago). Since President Wilson and his decision to enter the 1914 European war, the East has been inclined to view the role of the United States in the light of British dialectic directed against the territorial empires of continental Europe.

These dialectics, part of the current Atlantic policy, opposes the shaping of a strong and uniting power in the continent, a power capable of standing up to England and its rule of the seas, economy and finance.

The West, in turn, tends toward isolation, interest in the Pacific Ocean and the South -- Mexico. In sum, it would prefer to disengage itself from the fate of the world and from European domestic struggles.

Therefore, some things could improve, as far as we are concerned, with Haig's demise. It is possible that Reagan will want, through Shultz, to improve his image in the eyes of Latin America. However, it is equally possible that they will continue to see this Latin America of ours through the distorted Mexican mirror. Obviously, we must confess that it would be difficult for a U.S. citizen to understand that this Latin American country called Argentina could want to play a role in the history of the universe, just like Europe does.

In any case a spirit of caution will prevail among us for quite some time, since we must bear in mind that one needs deeds and not good reasons. Argentina expects concrete deeds of reparation, otherwise misunderstandings will continue.

NEW ECONOMY MINISTER'S PLAN UNVEILED 1 JUL

PY010344 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0005 GMT 1 Jul 82

[Text] Buenos Aires, 30 Jun (NA) -- Highly reliable sources have said that the need to obtain a positive Argentine trade balance in the amount of $4.5 billion per year is the basic objective of the policy to be implemented by new Economy Minister Jose Maria Dagnino Pastore. The sources added that that amount is the indispensable minimum in order to pay the interest on the Argentine foreign debt without making any payments to reduce the amount of the debt itself.

In order to achieve that objective the minister intends to implement a number of measures, among which is a substantial devaluation of the national currency, placing the peso-dollar exchange rate at about 22,000 pesos per U.S. dollar. This plan has been worked out by the new minister with the cooperation by some economists who will work with him in the administration which will begin tomorrow, and particularly by the Latin American Economic Research Foundation (FIEL).

It is spelled out in a document, called "The Economic Bases of a Transition Government," that the promotion of exports should receive more support, such as doing away with the import preference regulations of the Latin American Integration Association (LAIA) and the creation of a special bonus. Imports from the LAIA are currently exempt from the duties imposed by the Trade Secretariat and the Central Bank of the Republic of Argentina (BCRA) on imports from other areas.

The bonus to promote exports will be sort of a reimbursement which will be given to the exporters, the imports will have to be paid for with these bonuses, so the importers will have to acquire them from the exporters. The transactions to be carried out with this bonus will be absolutely free and the bonus will not be subject to the official exchange rate. The granting of bonuses will also prompt the exporters themselves to undertake their own importation.

The plan that has been made known also has other aspects, such as a new reform of the financial system which includes the possibility that banks will pay interest on current account deposits as a way of eliminating the short-period fixed-term deposits.

Regarding the proposals in the social field it was learned that the minister is against substantial salary increases and it is even foreseen that there will be a new reduction of the real incomes of the workers; some measures will be taken as an attempt to soften that blow.

It is also planned to introduce a "temporary unemployment aid system" which is, however, not intended as an unemployment insurance but rather as "a minimum aid" which should reach 655,200 people with a cost of 617 billion pesos per month. The calculation is based on the payment to 20 percent of that number of persons, who are heads of families, of 1.5 million pesos each, while the remaining 80 percent will receive about 600,000 pesos per month, according to the plan.

This assistance program will be implemented for a maximum of 18 months, but after the 13th month, the amounts previously mentioned will gradually be reduced until the account is finally cancelled with the 18th installment, and the assistance program will then be eliminated.

The working document begins by indicating that "the magnitude of the current deteriorated national situation, particularly in the economic area, is unprecedented" and forebodes a somber prospect for the possibility of finding a solution.

The document points out that "what is even more serious is that objective economic indicators confirm the fact that not even the most successful economic solution to the crisis offers an adequate social context for a transition toward democracy."

It stresses "the virtual cessation of foreign payments" which is disguised by the restrictions imposed on foreign payments by the Commerce Secretariat and the BCRA, when the reality resources are lacking even for payment of interest on the foreign debt.

As to the assessment of the country's situation in other areas, the document indicates that the industrial sector "is caught in a vise between recession and indebtedness" such that "a general bankruptcy of enterprises" is to be expected.

It also notes the existence of a decline in real salaries, employment and work hours, and it then poses questions as to the "country's international conflict" to end up by saying that "the military defeat brought to light the need for modifications in logistics and equipment."

The document then stresses this need by indicating that "it suffices to point out that during the 1976-1981 expenditures for purchases of military equipment abroad amounted to no more than $6,326,000,000," without mentioning expenditures made in the country.

In view of this situation, the document declares that "this question should be given special treatment in the civilian-military discussions so as to place the Malvinas conflict on the list of priorities of the country's problems."

After giving this picture of the situation, the document affirm that the transitional government should endeavor to refinance the country's foreign debt, to bring in the maximum foreign currency, to increase employment level, and to improve the standard of salaries.

The document, however, makes clear the impossibility of tackling those objectives simultaneously, unless the orthodox economic policy is discarded and replaced by an interventionist policy which should admittedly be limited.

Therefore, priority should be given to measures aimed at bringing in foreign exchange and economic revitalization, even at the expense of important long-term objectives such as "the more efficient allocation of resources" among the different social sectors.

On the question of foreign exchange withholdings on agricultural exports, no modifications are foreseen on current percentages which will be maintained at between 12 and 15 percent so as not to encourage illegal transactions and to cushion the impact of other measures on real salaries.

IMF SUPPORT SOUGHT IN REFINANCING FOREIGN DEBT

PY010156 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2130 GMT 30 Jun 82

[Text] Buenos Aires, 30 Jun (NA) -- The Argentine Government will request support from the International Monetary Fund [IMF] to refinance its large foreign debt of $38 billion. This is expected to take place shortly after Jose Maria Dagnino Pastore takes over as economy minister, according to spokesmen of foreign banks established in Argentina who are expecting an IMF expert mission to arrive in Buenos Aires next month.

The IMF mission will make an assessment of the Argentine economic situation, but this task reportedly will also be linked to the efforts which Economy Minister Dagnino Pastore will shortly make in the international financial centers.

Foreign banking spokesmen in Argentina believe that there exists an IMF decision to support Argentina in refinancing its foreign debt. This position is shared by the U.S. banks, where most of the Argentine debt is concentrated and which are preparing to grant large credits to the country, if the IMF extends support to Argentina.

At the foreign banks with branch offices in Buenos Aires it is believed that Dagnino Pastore's appointment as economy minister is based on the need of the military government to refinance the foreign debt, which nearly quadrupled the past 6 years. Dagnino Pastore, who has been Argentine representative to the EEC, has close contacts in the international financial centers which he will now approach in order to renegotiate the maturity dates.

About $8 billion out of the total foreign debt is due for payment in the second half of this year, a little more than half this sum during the July-September quarter.

The U.S. banks are willing to grant Argentina new loans to enable the new military government to meet the immediate payments falling due on the foreign debt. The IMF would follow the U.S. banks by granting Argentina credit support. In principle, this support would be implicit, but it is not ruled out that it may become explicit by means of an IMF "standby" loan.

In difficult situations such as that of Argentina, U.S. banks usually wait for the IMF to extend support before doing the same thing on their own. The financial support operation to Argentina will reportedly be headed by Citibank, the Bank of America and the Chase Bank. These companies prefer to grant financial aid to Argentina rather than let the government take drastic steps to confront the problem, since those steps would hurt them.

Both the IMF and the private U.S. banks have reportedly been encouraged to undertake this operation through a "recommendation" of the U.S. Federal Reserve Bank.

REPORT DETAILS 'SERIOUS' BUSINESS DEBT

FY302019 Paris AFP in Spanish 0059 GMT 30 Jun 82

[Text] Buenos Aires, 29 Jun (AFP) -- According to a joint report released here today by the Finance Secretariat and the Central Bank, the average Argentine business debt has surpassed by 157 percent the volume of its net capital.

Forty-five percent of the companies on which this study was based exceed this level, which has been officially termed serious.

It was reported that these firms have financial obligations with banks for amounts which exceed their net capital by 290 percent.

The problems of companies became worse during 1980, particularly toward the end of that year until December 1981.

Observers revealed that in some Buenos Aires financial circles there is speculation over the possibility that the state may assume some of the business debt to ease the heavy financial burden on production.

In some cases the debt rose to 130 percent from December 1980 to December 1981.

The worsening of the business financial situation was due mainly to the high real interest rates -- about 5 percent a month -- and the abrupt fall in sales.

The report revealed that 64 percent of the companies studied suffered losses during the last quarter of last year.

BULGARIAN TRADE DELEGATION TO SIGN DOCUMENTS

FY300421 Buenos Aires TELAM in Spanish 0006 GMT 30 Jun 82

[Text] Buenos Aires, 29 Jun (TELAM) -- Foreign Minister Nicanor Costa Mendez at noon today received a delegation from the People's Republic of Bulgaria headed by Foreign Trade Deputy Minister Atanas Ginev which is visiting our country to undertake commercial and industrial negotiations with official organizations and private enterprises.

The Costa Mendez visit was strictly protocol. Members of the delegation are representatives of diverse enterprises and the chief of the Latin American department of the Bulgarian foreign trade, Ivan Vodenicharov. The Bulgarian delegation arrived here yesterday and welcomed by agriculture under secretary, David Lacroze. Later it met with Commerce Under Secretary Alberto de las Carreras, and Industry Under Secretary Elbio Baldinelli.

Today, after visiting with Foreign Minister Costa Mendez, the delegation lunched with Alfredo Esposito, under secretary for international negotiations; and later met with Carmelo Lopez, Central Bank manager.

Tomorrow, at a time yet to be set, the Bulgarian delegation will sign a document on the negotiations undertaken during the 3 days, and a letter of intention to purchase Argentine grains. The ceremony will be held at the Economy Ministry.

Late tomorrow the delegation will return to its country.

DAILY EXPECTS IMMINENT MILITARY, CABINET CHANGES

PY301558 Buenos Aires TELAM in Spanish 1535 GMT 30 Jun 82

[Text] La Paz, 30 Jun (TELAM) — The morning newspaper HOY today said a reorganization of the Bolivian military high command is going to take place in the next few hours and that Gen Jorge Echazu Aguirre will be named new commander in chief of the armed forces.

Citing reliable sources, the daily said Gen Alfredo Villarcel will be named new army commander and Gen Walter Antezana army chief of staff, replacing Gen Angel Mariscal Gomez and Gen Guido Vildoso, respectively. Gen Simon Sejas Tordoya, chief of staff of the armed forces, has reportedly been confirmed in his post.

The reorganization of the armed forces reportedly will force a cabinet reshuffle because Gen Jorge Echazu Aguirre is currently defense minister. The reorganization of the cabinet would also allow Edgar Millares Reyes, current minister of integration, to leave his post to assume a position on the Cartagena accord council in Lima in July.

It is predicted that the new cabinet will be made up of 12 civilians and 6 officers. The current commander in chief of the armed forces is the president of the republic, Gen Celso Torrelio Villa.

Santiago Report

PY301805 Santiago Domestic Service in Spanish 1700 GMT 30 Jun 82

[Excerpts] All members of Bolivian President Celso Torrelio Villa's cabinet presented their resignations this morning. The resignations were contained in a collective letter sent to the president, it was learned unofficially in La Paz. The decision was made over the past weekend by Torrelio Villa and military sectors interested in making viable an agreement with political parties.

The fact that the Bolivian president has been in bed for the past 3 days with a bad cold has provoked speculation that the Bolivian political situation would be resolved in the Argentine manner. There are rumors that the reorganization of the administration and of the armed forces could include Torrelio Villa himself if he continues to be ill. There are also rumors that Defense Minister Gen Jorge Echazu could be named commander in chief of the armed forces, a post now held by the president.

Minister Denies Reshuffle

PY301826 La Paz Radio Illimani Network in Spanish 1700 GMT 30 Jun 82

[Excerpt] Mario Maranon Zarate, minister of information, has said that reports in the press today regarding an alleged reorganization of the military high command and a cabinet reshuffle are only rumors. This explanation was made by Maranon Zarate at the conclusion of a cabinet meeting held from 0800 to 1230 at Government House today. He said any cabinet reshuffle is a responsibility of the president and that this was not discussed during today's session.

He also said any reorganization of the military high command is a responsibility of the military and that this was not discussed during the cabinet meeting either.

COB Leader's Warning

PY301615 Paris AFP in Spanish 1529 GMT 30 Jun 82

[Text] La Paz, 30 Jun (AFP) — Oscar Sanjines, leader of the Bolivian Labor Federation [COB], stated today in La Paz that the COB has been informed about coup preparations and said that if a coup were carried out, it would lead the country to total collapse.

Sanjines said the COB is concerned about these reports of a military coup. He said that such a coup would be a blow to freedom and democracy.

He termed the deisre to drag Bolivia along the road of instability "a position of madmen." Sanjines said the workers throughout the country will be on guard against the intentions of reactionary groups infiltrated into the armed forces.

It was also said that the COB will hold a national meeting within the next few hours to establish the workers' position on the political dialogue called for by the government, and that a meeting between union leaders and government officials will be held tomorrow for this purpose.

PARTY LEADER WANTS AP MILITANTS IN ADMINISTRATION

PY301511 Tacna Radio Tacna in Spanish 1200 GMT 30 Jun 82

[Text] Remarks by the secretary general of Popular Action, AP, Alva Orlandini, that positions of trust in the public administration should be held by proven militants of the government party has stirred up the AP leadership.

Last Friday and Saturday the cabinet ministers discussed Alva's remarks with President Belaunde under the understanding that the idea of AP proven militancy is nothing but euphemism to say that those officials must be Alva's supporters, a group that controls the plenum of that party with an absolute majority.

Obviously the ministers do not want to confront the man who runs the government party, but at the same time they are not willing to dismantle their offices, firing their own friends and valuable professionals because their only fault is that they disagree with Alva Orlandini.

President Belaunde calmed the ministers by assuring them that Alva has nothing to do with the executive branch except in his honorary position as second vice president. The president affirmed that the ministers are in charge of their ministries.

In reality the president's remarks that Alva has no power in the executive branch is really relative. The ministers and all of Peru know that Alva has complete control over congress and that all he has to do is pass the word to his supporters to create problems for someone.

Does Alva have any power in the AP? This is the question now circulating in political circles, particularly regarding matters related to the executive branch. President Fernando Belaunde Terry has said Alva's power is completely relative, while the president of the Senate, who is the AP secretary general, says the ministries should have people of proven AP militancy.

BRIEFS

AMBASSADOR TO COSTA RICA -- The new Bolivian ambassador to Costa Rica, (Julia Oriuna de Olmos), will leave next month to assume the office after receiving the appropriate instructions from the government. It was reported that the Costa Rican Government has agreed to her designation. [La Paz Radio Illimani Network in Spanish 1100 GMT 29 Jun 82 PY]

PLANNING MINISTER WANTS EXPANDED TRADE WITH USSR

PY300030 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Jun 82 p 12

[Text] Brasilia -- The expansion of bilateral trade to approximately $1 billion a year was one of the main subjects discussed yesterday at Planalto Palace by Brazilian Planning Minister Delfim Neto and the USSR Supreme Soviet delegation led by Tikhon Kiselev, head of the planning and budget committee of the Supreme Soviet. Delfim voiced hope that the forthcoming meeting of the joint commission of the two countries scheduled for July in Brasilia will make substantial progress in drawing up a list of the industrial products Brazil wants to export. The list has been in preparation since July 1981.

According to the minister, Brazil can purchase Soviet equipment for the projected Ilha Solteira hydroelectric dam, depending on the USSR's decision on purchasing Brazilian industrial products. He suggested that the Soviet deputies should encourage the trade organizations in their country to increase sales to Brazil "because we do not want to sell $500 million and buy only $100, but to increase trade both ways."

Kiselev agreed with Minister Delfim Neto and said he will convey his remarks to the Soviet Government. He added that Brazil is currently involved in certain development projects that are demanding efforts similar to those made by the Soviets in western Siberia 15 years ago. He wished them success in these projects.

Delfim Neto attributed Brazil's surplus in trade between the two nations to the greater dynamism of the nation's trade sector and said the government has encouraged private businessmen to step up trade with the Soviet Union. In his opinion, the current level of trade does not properly represent the scope and importance of the economies of the two nations. "A larger trade can only be to our advantage; the possibilities have been reasonably well established and therefore I do not see why we should not explore all these possibilities in depth," the minister insisted.

EXPORTS TO ARGENTINA DOWN SHARPLY FROM 1981

PY302139 Rio de Janeiro LATIN AMERICA DAILY POST in English 30 Jun 82 p 7

[Excerpt] Sao Paulo -- The economic crisis in Argentina, the worst in the country's history, is causing a reduction of imports from Brazil. Brazilian exports which in 1981 reached $880 million did not go beyond $230 million from January to May which is much less than was predicted. At this pace exports will reach only $552 million by the end of the year which represents a drop of 37.2 percent in relation to 1981. The present restriction of imports created during the Falklands war will probably be maintained by new President General Bignone, who has announced that he is going to strengthen the national economy. This means favoring exports and containing imports, which is a return to a pre-1976 policy. Argentina is Brazil's most important commercial partner in Latin America.

A reliable source from Argentina said that "with the crisis Argentina's market has shrunk, and Brazilian exports are going to suffer." Up to now Argentina is guaranteeing contracts signed within ALADI while imports with other countries are practically interrupted. The flow of agricultural, industrialized and iron ore products negotiated within ALADI is continuing normally. However, contracts which are not part of this package are experiencing difficulties.

The drop in Brazilian exports is already endangering predicted results. Until the end of May Brazil sold a total of $230 million when the goal was from January to June $350 million. Reduction in Brazilian exports were expected even before the Falklands crisis because Argentina's economy already showed a tendency to change from the liberal monetarist model instituted by former Economic Minister Martinez de Hoz.

FOREIGN MINISTER LOOKS AT FUTURE OF OAS, SYSTEM

PY300428 Santiago Domestic Service in Spanish 0000 GMT 30 Jun 82

[Excerpt] Foreign Minister Rene Rojas Galdames has emphasized that the continent should recover the feeling of Americanism which has had such a strong voice in the international community at times in history. He made this appraisal in referring to the attitude the countries of the hemisphere should assume in facing the current crisis in the continent. Minister Rojas referred during a press conference to the crisis of the inter-American system and the way to solve it.

In this connection he said first that the existing organizations are suitable and adequate to meet crisis that may occur. What has happened, he added, is that only a few member countries have taken their problems and difficulties to the organizations, a situation which has caused a real crisis, above all in the OAS.

Foreign Minister Rojas Galdames said that what should be done is to redeem the principles, confirm the political will and give vigor, strength and authority to the organizations that have been created. The first thing to do, he said, is to establish a compulsory system of legally binding solutions to disputes to solve them in a peaceful way so the OAS will have authority. If possible he stressed, conflicts should be prevented in advance, because once they have broken out it is very difficult to stop them or to neutralize the contenders.

Rojas Galdames said he did not believe in the possibility of establishing an organization to include only the Latin American countries and excluding the United States. We have conceived the OAS and the Inter-American Reciprocal Assistance Treaty as belonging to the whole hemispheric community, not as being against or without the United States, he said. He continued: We have a very Americanist attitude, very complete and not exclusive.

He stated that during his tour of the United States he found that the position of that country regarding the problems afflicting the hemisphere, which are well known, shows that it is aware that this is a difficult time. He said the United States is in favor of not making the political effort of creating a new organization, but that the present institutions rather should be strengthened and maintained and given greater capacity of action and political effectiveness. Foreign Minister Rojas stated that in order to achieve this, a political definition by the governments is of basic importance. The way to reach these objectives is to have the problems studied by a commission, which should analyze the legal aspects of the modifications in the instruments that member countries may wish to introduce, he said. He added: They should then be approved by a special meeting of foreign ministers which might lead to a meeting of presidents, which would be a highly positive event.

NAVY TO PARTICIPATE IN UNITAS EXERCISE WITH U.S.

PY300426 Paris AFP in Spanish 0312 GMT 30 Jun 82

[Excerpt] Santiago, 29 Jun (AFP) -- Chile will participate in the Unitas 23 exercise with two destroyers, a frigate, a tanker and a submarine, it was announced here today. The Chilean force, which will be commanded by Capt Fernando Lezcano Jimenez, chief of staff of the squadron, will start the exercise at Mejillones, 1,400 km north of Santiago, on 17 August and complete operations on 13 September.

A Chilean Navy communique said the vessels that will take part in this year's operation, the first stage of which will begin in the Caribbean on Wednesday, are the destroyers Rivero and Zenteno, the frigate Condell, the tanker Araucano and the submarine Hyatt.

DE LA MADRID OUTLINES PROPOSED FOREIGN POLICY

PA300335 Mexico City International Service in Spanish 0200 GMT 30 Jun 82

[Text] Miguel de la Madrid, Institutional Revolutionary Party [PRI] presidential candidate, has stressed that if he becomes president he will make the necessary corrections in oil policy.

The PRI candidate said that the country's oil production and exportation will be subject to demand, the overall functioning of the economy and Mexico's oil production capacity.

At a news conference with foreign correspondents, De la Madrid said that there is not yet enough information to warrant Mexico's entry into OPEC.

After noting that the country's foreign policy is based on solid principles, the PRI presidential candidate said that the Mexican Government will continue its support of the efforts of Latin American peoples to secure respect for their sovereignty and self-determination. For this reason, he said, Mexico rejects any military and political intervention in the domestic affairs of central American nations and expresses solidarity with countries involved in economic and social development plans.

He stated that Mexico will continue to support detente in Latin America and that, for this reason, it will promote communications between the United States and Cuba.

The candidate deplored the conflict over the Malvinas and said that it demonstrated the inability of the inter-American system to support Argentina's legitimate anticolonialist demands.

In regard to Guatemala, De la Madrid said that Mexico's relations with that nation must have a high priority in the country's foreign policy. He said that the Guatemalan people's sovereignty will be respected, that they must decide upon the government they deem most adequate and that Mexico will abstain from any interference in Guatemala's domestic affairs. He emphasized that the government he hopes to lead will avoid any tension on the border with Guatamala and that it will respect the human rights, the right to asylum and the right to work of the Guatemalans who have come to Mexico in search of employment.

Referring to Mexico's relations with the United States, De la Madrid admitted that they are both difficult and complex.

If I become president, he said, I will try to reach friendly agreements [word indistinct] with the United States.

SILVA HERZOG DISCUSSES FINANCIAL SITUATION

FL300252 Mexico City NOTIMEX in Spanish 2345 GMT 29 Jun 82

[Text] Mexico City, 29 Jun (NOTIMEX) -- Secretary of Finance and Public Credit Jesus Silva Herzog today called on Mexicans to persevere in the fight against inflation. Silva Herzog was speaking at a press conference following a meeting with President Jose Lopez Portillo. He ascertained that the country's unfavorable situation was under control and the road to recovery had been undertaken.

The finance secretary reported on the positive results of the budget adjustment program decreed on 20 April and said that the difference between exports and imports favored Mexico to the tune of $449 million.

This decrease in imports, he added, will allow the country to reduce the current account deficit by $3 billion. Referring to exports, he stated that petroleum sales in June will average 1,556,000 barrels a day.

He said that prices had been revised for (?steel), various petrochemical products, air and sea tariffs and telephone services, among other items, which had made it possible to obtain an additional income of 50 billion pesos.

He said that the goal was 150 billion pesos; in other words, there were 100 billion pesos still to go, but he said he was sure the goal would be met in its entirety.

As to the external debt, he explained that the country owed $6.5 billion but the limit established for 1982 was $11 billion.

The adjustment program, he added, also provided for a flexible interest rate policy that would make it possible to retain the savings generated.

Silva Herzog disclosed that the Mexican banking system had picked up 7.7 million pesos in the third week of June.

Another aim of the adjustment program was to maintain a flexible exchange rate policy with a sliding exchange rate. This, he said, had been fulfilled.

As to the Bank of Mexico's credit limits on the federal government, he said that these limits had remained below the prescribed levels and that the rate of growth of the money supply had been cut in recent weeks from 35 to 27 percent.

He noted that the adjustment program provided for various kinds of help for companies experiencing difficulties stemming from the help exchange adjustment and that the government had supported these companies by making it easier for them to pay their taxes and by granting them fiscal promotion certificates [certificates de promocion fiscal].

Referring to the speed with which the adjustment program had been implemented, Silva Herzoa made it plain that democracy and efficiency were not incompatible. He said that proof of it was the fact that the Mexican political system had been able to create an institutional device that allowed it to respond to crises without forfeiting its principles of democracy, justice and freedom.

Moreover, he appealed to Mexican society to resume efforts in order to maintain the atmosphere of austerity that should prevail in the country, "tightening our belts and uniting toward common goals," he stressed.

He also announced that the Mexican Government will get a $2.5 billion dollar loan tomorrow which has already been included in the country's debt figure. He explained that the loan will be signed tomorrow since it will be more difficult to obtain this type of credit during the second half of the year because the oil-producing Arab states will deposit only $4 billion in international banks. The amount was $100 billion last year.

CRITICA: BORDER CLOSED TO COSTA RICAN GOODS

PA302303 Panama City CRITICA in Spanish 29 Jun 82 p 1

[By correspondent Fabian Cubillas]

[Text] David, 29 Jun -- Panama's border with Costa Rica has been closed to all purchases; as a result, the National Guard and customs inspectors are jointly enforcing strict border surveillance from Punta Burica in Chiriqui Province to Guabito in Changuinola, Bocas del Toro.

It was reported that this surveillance is being carried out from the air, on land and by sea, in a special exercise designed to demonstrate the efficiency of these controls in preventing contraband from Costa Rica, which consists mostly of rice, sugar, cooking oil and similar items.

Last Sunday, almost 500 persons visited the border without being able to make their traditional purchases. Today the Panamanian association of businessmen from Paso Canoa will hold a meeting to ask the executive branch to permit the purchase of staples on the border.

In contrast, the David Chamber of Commerce emphatically opposes the purchase of these goods on the border, alleging that this is detrimental to their businesses.

MATUTINO PRAISES REAGAN REPLY TO AMBASSADOR

PA300421 Panama City MATUTINO in Spanish 29 Jun 82 p 4A

[Editorial: "Ratification of a Commitment"]

[Text] The speech made by Aquilino Boyd, Panamanian ambassador to the United States, during the presentation of his credentials was judged by U.S. President Ronald Reagan to be of sufficient conceptual depth and political importance to merit a written reply -- one that probably required a lot of thought and consultation with his experienced foreign policy advisers.

For this reason, Reagan's letter is very important. It is also important because in it, the U.S. President has put in writing -- which is the medium in which words last, for spoken words are blown away by the wind -- a clear reiteration of the great commitments that the United States made with the signing of the Torrijos-Carter treaties on 7 July 1977.

It is a reiteration to say, as Reagan does in the letter, that he agrees with Ambassador Boyd's statements when he said that, as a result of the treaty implementation, the United States and Panama are true examples of how agreements promoting relations based on respect, dignity and understanding can become a reality. This is a fact that, according to Reagan's letter, promotes the economic strengthening of the region's peoples, whom he feels are threatened by the intervention of ideologies foreign to our hemisphere.

With a view that is clearer than that of local opposition leaders, President Reagan admits that Panama is a place with effective peace and is on the road to a perfect democracy (this is what Reagan's letter says), adding that this is the democracy foreseen by Gen Omar Torrijos Herrera.

He further elaborates on his view of our country when he notes that our present status has made Panama's economic progress possible and this has been seen as an example (President Reagan uses such a significant word again) for the other countries in the region.

We see as very important the President's statement that that which exists in Panama serves to counteract the effects of the political forces that oppose the firm establishment of democratic rights in a pluralist and open society, with economic and social opportunities for all.

Aside from the high concepts that President Reagan has of our country, the document is an emphatic reiteration of the commitments that the two nations made (we emphasize that both nations are committed) through the Torrijos-Carter treaties. This letter also reiterates that Reagan and his advisers approve the truth of Panama, within the principles and achievements of the October Revolution.

COSTA RICA

NEW U.S. SECRETARY OF STATE BRINGS NEW HOPE

PA010017 San Jose Radio Reloj in Spanish 1730 GMT 30 Jun 82

[Station commentary]

[Text] Alexander Haig's failure as the U.S. secretary of state should have been expected. The fact that this multistarred general could not continue in the delicate post to which President Reagan assigned him should not come as a surprise. The resignation, which surprised so many, was the least that could have happened after so many failures. The Latin American countries and the Western world have their hopes set on the United States. We, all Costa Ricans, are as the U.S. head of state said, natural allies of the United States. It is, therefore, not surprising that we are constantly concerned about that northern country's political issues.

The U.S. secretary of state failed because of his policy on the Malvinas. The U.S. people would have preferred a more tolerant attitude, a neutral stand. His position should have remained one of mediation, as he attempted at the outset, not one of support for Great Britain. Although the support was in name only and did not involve actual participation -- despite what the Argentine military said -- it was a rather inelegant position. Former Secretary of State Haig's failure in the negotiations was evident. Although the current Republican government does not choose its officials properly, George Shultz could, acting not as a military man but as a businessman, achieve stronger relations with the world's countries.

The U.S. secretary of state must be an official with a thorough understanding of his country's serious responsibility in maintaining peace, democracy and its good-neighbor policy. He cannot be a military man with a radical approach to decisionmaking. He cannot have an unpleasant personality or lead through his own extreme passions. In other words, he cannot look on U.S. relations with the world as if nothing exists but NATO. This was Alexander Haig's big mistake. Now we have hope, a hope in someone who can, and we are certain will, have a better understanding of the world situation.

EL SALVADOR

AFP REPORTS GUERRILLA ACTIONS IN CAPITAL

PA300425 Paris AFP in Spanish 0149 GMT 30 Jun 82

[Text] San Salvador, 29 Jun (AFP) -- A large part of the Salvadoran capital was without electricity and water today, after a guerrilla offensive that has left San Salvador residents worried. The rebel forces announced today that "we have put the enemy's main bastion, the capital, into a deep crisis, which is creating serious problems for the regime, noting that there are sectors that have been without electricity since yesterday.

The FMLN forces began violent actions 6 days ago to prevent the movement of vehicles on the country's main roads. It was officially reported today that groups of armed youths provoked disturbances in various parts of the capital and detonated several bombs. One of the bombs destroyed an armored van that was parked near the Alameda Hotel, in western San Salvador, and another exploded in a truck that belonged to the electric company involved in repair work in the neighborhood of San Jacinto, in southern San Salvador.

Official sources have not explained the reason for the long blackout and the lack of potable water afflicting the Salvadorn capital, but FMLN spokesmen claimed responsibility for actions that have forced San Salvador "into a situation of total abnormality, because of the lack of electricity."

An FMLN bulletin signed by Commander Ana Sonia Medina (Mariana) commented that "several factories are not working because of the lack of electricity and traffic is out of control because there are no traffic lights."

ARMY REPORTS GUERRILLA AMBUSH, 12 SOLDIERS KILLED

PA302359 San Salvador Radio Cadena YSKL in Spanish 1824 GMT 30 Jun 82

[Text] The Armed Forces Press Committee [COPREFA] told this station this morning that guerrillas ambushed a contingent of troops that was on its way to obtain provisions in (Tacugame), San Vicente Department. The troops were ambushed in a place known as El Tablon; the intense gunfire resulted in the death of 12 soldiers and a market vendor who sold her merchandise at the San Vicente garrison. COPREFA did not supply the names of the victims or report if any guerrillas were captured.

GOVERNMENT BANS SHIPS OF COMPANY WITH CUBAN TIES

PA010217 San Salvador Radio Cadena Sonora in Spanish 1905 GMT 30 Jun 82

[Communique issued by the Salvadoran Armed Forces Press Committee in San Salvador on 30 June; distributed by the Inter-Central American Radio Organization -- read by announcer]

[Text] In the exercise of its sovereignty and for national security reasons, the Salvadoran Government has been forced to terminate the docking of Caribbean Multinational Shipping Enterprise [NAMUCAR] ships at Salvadoran ports.

NAMUCAR was organized in early 1970 at Cuba's suggestion. Its ships, Los Caribes, Los Treques, and El Siboney, carry Panamanian flags but their crews are Cuban. We have ended all dealings with this enterprise. These ships have been banned from our ports because of the high degree of Cuban influence over their company and their ties with the transportation of weapons, ammunition and other equipment to subversives in El Salvador and other Central American countries. This communique has already been presented to NAMUCAR's legal representatives in this country.

GUATEMALA

RIOS MONTT DECLARES NATIONAL STATE OF SIEGE

PA010402 Paris AFP in Spanish 0343 GMT 1 Jul 82

[Text] Guatemala City, 30 Jun (AFP) -- Guatemalan President Gen Efrain Rios Montt said on a radio and television network tonight that a national state of siege has been declared, starting tomorrow. The general spoke in an energetic tone of voice, affirming that from this point forward the subversives will be fought "with more energy."

The president also announced the death penalty for any guerrillas who may be captured, while noting that they will be tried in special courts. Rios Montt spoke on the last day of a 30-day amnesty period. According to official reports, some 500 members of the clandestine organizations gave themselves up under the amnesty.

EL SALVADOR'S MAGANA SPEAKS AT PRESS CONFERENCE

PA301446 Panama City ACAN in Spanish 1322 GMT 30 Jun 82

[Text] Guatemala City, 29 Jun (ACAN-EFE) -- Salvadoran President Alvaro Magana told newsmen here that he has nothing to discuss with the Salvadoran guerrillas, because the Salvadoran people went to the polls on 28 March to express their desire for peace.

The Salvadoran President met yesterday with Gen Efrain Rios Montt, president of Guatemala, to discuss topics of mutual interest.

Referring to guerrilla activities in his country, Magana noted at a press conference that the Salvadoran people flocked to the polls "to express their wish for peace and to reject the guerrillas." He added that, therefore, he has nothing to discuss with the armed leftwingers.

Among other things, Magana announced that some of the achievements of the Central American Democratic Community [CDC] made up of El Salvador, Costa Rica, and Honduras will be announced this coming July. It was learned that one of the purposes of his visit to Guatemala is to get that country to join the organization.

Queried by newsmen about the possibility of Guatemala joining the CDC, Rios Montt said that if Guatemala is invited to join the possibility will be studied.

Magana explained at length the existing agrarian reform in his country which was initiated by the revolutionary government junta that toppled President Carlos Humberto Romero in October 1979, noting that the reform is well underway, according to plans.

INDIAN EGP 'COLLABORATORS' ACCEPT AMNESTY OFFER

PA302025 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 30 Jun 82

[Excerpt] More than 600 Indians who had been cooperating with the guerrillas who operate in the country's northwest today surrendered to various army posts in that region, taking advantage of the government amnesty. This large number of collaborators with the People's Guerrilla Army [EGP] went to army posts in La Alameda and Quetzal, Chimaltenango Department, and in (Chipol) village, Chichicastenango municipality, Quiche Department.

The Indians also surrendered a number of simple weapons, bombs, grenades, indoctrination propaganda, and olive-green EGP uniforms. The former guerrilla collaborators want to go home without suffering reprisals. The Indians decided not to accept the army offer to be transferred to refugee camp in Escuintla and noted they want to return home and work the land.

The largest group took advantage of the amnesty in (Chipol), Chichicastenango municipality. Approximately 5,000 Indian families, including children, have been supplied with food by the army because they renounced their ties with the guerrillas, and they now enjoy military protection.

In (Chiptango), the surrendering collaborators carried the national flag to avoid reprisals. (Eddy), one of the former EGP collaborators and a former EGP fighter, said that the guerrilla organization has 3,000 men and that there are approximately 50 commanders, including women. (Eddy) said he thinks some regions of the northwest are under EGP control, but he discounted the possibility of a guerrilla victory over the army, noting that the guerrillas have been weakened by defeats, including the surrender of the collaborators.

The former EGP member said that the organization is recruiting young people, especially students, to be sent to Cuba for training so that in 2 years they can return to the country to join the armed struggle against the army. (Eddy) said he has information that the EGP plans to carry out its final assault in 2 years when the recruits return from Cuba.

(Eddy) said the Guatemalan guerrillas receive aid from the nonaligned countries, especially from Russia [as heard], Cuba and Nicaragua. He said he met two Cubans who act as EGP commanders.

COMMUNISTS DENOUNCE GOAL OF GOVERNMENT AMNESTY

PA301606 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 30 Jun 82

[Paid advertisement by the Central Committee of the Guatemalan Labor Party: "No to the demagoguery of the dictatorship; on with the people's war"; issued in June -- read by announcer]

[Excerpt] Recognizing the military reality, the government, with its amnesty decree, seeks demagogic goals of national and international impact that would allow the coupists to launch a propaganda campaign, allegedly based on good will. The government is trying to end its isolation, to create conditions to justify its massacres of the people and to turn everybody, especially the Indians of the western plateau, against the popular and revolutionary movement in the countryside and the city.

From a legal point of view, the amnesty is a clumsy maneuver and a lie by a de facto government which, through words and deeds, denies its people the most basic human rights, and cynically and violently conducts a campaign of repression based on phoney authority and clumsy lies.

With this amnesty, the dictatorship pardons, forgives and rehabilitates only the assassins who have committed horrible crimes against the Guatemalan people since the days of the Castillo Armas government.

This amnesty further reveals the demagogic offerings made since the 23 March coup. In other words, the so-called amnesty is nothing but a bloody mockery against the people, who should realize it is only a trick and ignore any illusion that the coupist demagoguery may manufacture.

The dictatorship, the dominant reactionary class and the gringo imperialists want the Guatemalan working people to renounce their right to struggle for a better life, their universally recognized right to rebel against oppression and injustice; to renounce the only means that, under the present circumstances, can lead to victory, that is, their own organizations and the revolutionary armed struggle through which they can defeat their traditional oppressors.

URNG MEMBERS DENY HUMAN RIGHTS RESPECTED

PA301855 Havana International Service in Spanish 0000 GMT 30 Jun 82

[Pedro Martinez Pirez interview with (Andrea Ramirez), (Rosa Palencia) and (Natalia Rodriguez), representatives of the Guatemalan National Revolutionary Unity, URNG; at the round table on the Arab people's struttle against Zionism, imperialism and reaction, held at the Havana Convention Palace on 29 June -- live or recorded]

[Excerpt] [Martinez] (Andrea), I would like to ask you about reports we have received today from Guatemala that only a few hours after their official visit to Guatemala had began, U.S. Congressmen Jerry Lewis and Michael Edwards advocated the resumption of U.S. military aid to the regime headed by Gen Efrain Rios Montt. According to the two U.S. congressmen, the Guatemalan regime has achieved significant progress in its respect for human rights.

[Ramirez] We consider these statements to be very cynical. In only 60 days, the present government has massacred the people in at least 29 towns and settlements in the Departments of Baja Verapaz, Chimaltenango, Solola, El Quiche, and El Peten. Towns have disappeared completely. They have been destroyed by machinegunning by infrantry troops, by helicopters, by Israeli Arava planes, or by soldiers who have used machetes to behead children, men, women and the elderly and have shown no respect for anything.

The town of Rio Negro, (Tupucaj), Agua Caliente, (Cojom), (Pocojil), (San Andres Ascabaja), (Sinpun), (Chapacul), (Perecales), Semeja, (Maripu), Estancia de la Virgen, (Santa Polonia), (Los Carrizos), Macanche, Agua Escondida, Chuquexa, (Sucajab), Pacoj, Pachaj, Tioxya and El Mangal are some of the places in which the army has killed the people and destroyed houses, crops, fields and forests. They have destroyed fruit trees. They have killed all the people in the villages. The army has even killed the animals, the chickens and pigs, in the villages. Nothing is left alive.

This is what U.S. imperialism calls an improvement in human rights. This is what we describe as the cynicism of U.S. imperialism, which uses the capitalist press to spread misinformation and distort the real situation in our countries. However, the Guatemalan people have taken their path and will not turn back. They will continue onward. We want to denounce this U.S. policy of spreading lies. It uses this policy not only against our people but also against the fraternal peoples of El Salvador and now against the Palestinian and Lebanese peoples.

GUERRILLA UNIT CHARGES MISUSE OF U.S. AID

FL301918 Mexico City NOTIMEX in Spanish 1826 GMT 30 Jun 82

[Text] Mexico City, 30 Jun (NOTIMEX) -- The Guatemalan Government plans to use external credits and assistance granted for peaceful ends to purchase arms and military equipment, the Poor People's Guerrilla Army (EGP) charged here today. The EGP said in a press communique that two members of the U.S. Senate, who met Monday with Guatemalan President Efrain Rios Montt, will submit a proposal to U.S. Sentate for renewed aid.

The United States suspended economic aid to Guatemala last year because of human rights violations. "Rios Montt makes use of the hunger and misery of the Guatemalan people to obtain funds through food and development aid programs intended for the communities that have been destroyed or affected by the army's genocidal actions," the EGP said.

It added that loans granted for infrastructure and economic development projects would also be used in fighting Guatemalan insurgents. The EGP is one of the four organizations comprising the Guatemalan National Revolutionary Unity (URNG).

INDIAN ACTIVIST REJECTS DIALOGUE WITH REGIME

PA291905 Havana International Service in Spanish 0000 GMT 29 Jun 82

[Pedro Martinex Pirez interview with Guatemalan Indian woman (Manuela Aps), member of the Committee for Peasant Unity; date and place not given -- live or recorded]

[Text] [Question] (Manuela), the Committee for Peasant Unity, CUC, and other Guatemalan revolutionary organizations have charged that the massacres of peasants continue in your country, while the Efrain Rios Montt regime states that it has offered to hold a dialogue with and to grant an amnesty to the guerrilla forces. What do you think of those offers of the Guatemalan Government?

[Answer] Well, we reject the dialogue. For a long-time, before we declared the war, before we began to wage the war with weapons and all the actions we are now carrying out, we asked to hold a dialgoue with them; we asked them not to steal our lands; we asked them to give us better wages; we asked them for our right to life; we held demonstrations and (?asked) them to hold a dialgoue with us. What was their reply? Well, the massacres, murders, tortues, kidnappings and rapes. As a result of all that they have closed off a dialogue. Why are they now offering to hold a dialogue? Before, when we were willing to hold a dialogue, they replied with massacres.

They are now offering a dialogue but their dialogue is with bullets, repression and bombs against our people. Therefore, we are not asking to hold a dialogue with them. We do not want to talk with the murderers of the people. We know them. They do not realize that we are a people with dignity and courage who will never forget the blood currently being shed in our sacraed land.

[Question] (Manuela), it is also said that the regime will unleash greater repression in July.

[Answer] They are offering an amnesty which they say will expire at the end of this month. We do not want that amnesty. We know that they will not give it. They say they are offering money for weapons and that they will respect lives. If they do not respect the lives of newborn day-old babies, whose throats they slit and who they dash to pieces, how are they going to respect the life of the guerrillas [words indistinct]? We are sure that the amnesty is just demagoguery, and therefore we reject it. What they want is to be able to say: We offered them amnesty; they refused it; so we will massacre them. This is what they are currently announcing. They clearly say that those who do not accept the amnesty will be machinegunned [words indistinct] execute them. They are announcing that they will massacre our people.

[Question] Is it true that a policy of scorched earth and of strategic villages, which were used by the United States during the aggression in Vietnam, is being applied in Guatemala?

[Answer] It is very true that such a policy is being applied. We say so because the shedding of the blood of our people is really being seen. They burn our children, the houses, the land, the forests, the fields, the harvests, even the small animals, the chickens, the dogs. They want to exterminate evertything. There are settlements which have been razed to the ground. When they drop their incendiary bombs, they burn and destroy everything that is there.

[Question] (Manuela), how many have so far been killed and wounded by the Rios Montt regime?

[Answer] [Words indistinct] more than 3,500 in the first 50 days they have been in power. There has been an increase in the slaughter of our people. There has been a redoubling of the murders, even though they say that there will be no more killings and that they will respect lives and human rignts. That is a lie, because since they took power the deaths of our people have increased, There has been a much higher number of dead, massacred and tortured. There are testimonies of this.

[Question] Who advises them?

[Answer] The U.S. Government. It is clearly known and there is proof that there are Israeli advisers. There is armament from Israel. This armament [words indistinct] approved by the United States. They are the same weapons with which they are massacring the heroic Lebanese and Palestinian people.

[Question] (Manuela), the Indian-peasant masses are the main majority in Guatemala. What do the Indian and peasant masses struggle for in Guatemala?

[Answer] We struggle above all to be Indians, to eliminate the repression, exploitation, discrimination and the [words indistinct]. We see that the people's revolutionary war being waged in our country is the only way to solve all our problems. When we speak of our right (?to defend our) land, this includes not only an economic factor, because land also entails a cultural aspect since the land is sacred to us. (?That is the reason) we Indian peasants are struggling at this time.

AREA ECONOMY MINISTERS HOLD 25 JUNE MEETING

PA300300 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 29 Jun 82

[Text] The Presidency's Public Relations Secretariat issued a document today called the declaration of intentions, which was signed here by the economy ministers of El Salvador, Honduras and Guatemala.

The meeting of these countries' economy ministers, which was also attended by businessmen, was held at a Guatemala City hotel on Friday. Almost 72 hours later, official spokesmen reported on the results of the event, noting that the next meeting of Central American economy ministers will be held in Honduras on 16 July.

HONDURAS

STATION SAYS REAGAN POLICY LEADS U.S. TO 'CHAOS'

PA302341 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 30 Jun 82

[Station commentary: "An Ill-Fated U.S. Foreign Policy"]

[Text] Without posing as experts on international relations, we feel a great need to discuss this subject today, because we feel a great weight on our shoulders. The latest events caused by the U.S. Government, by Mr Ronald Reagan, are enough to worry even the most recalcitrant Yankee-loving Hondurans. It now seems as if all of the U.S. Government's actions are intended to involve us in what may be the last conflagration on earth.

First, the U.S. attitude in the Malvinas conflict and its most recent attitude toward several nations on the continent began to worry us. Then came the resignation of Secretary of State Alexander Haig. It is evident that he was forced to resign. This shows that Mr Reagan's government has completely forgotten about the foreign policy doctrines that formerly gave the United States great international prestige. These doctrines helped to achieve a political leadership that Reagan is now losing, little by little. President Reagan apparently wants to lose it entirely; to wipe out the last remaining traces of U.S. power and leadership.

As an example, at the turn of the century the United States at least attempted to disguise its participation in international conflicts by following a doctrine of isolation. This doctrine was formulated by intelligent U.S. politicians who believed that the United States would benefit by staying out of the international community's political problems. Basically, the policy amounted to refraining from open intervention in other countries' internal conflicts.

Nevertheless, Reagan discarded this doctrine, which was developed by the U.S. Democrats, and implemented a highly dangerous interventionist policy. In the case of the Monroe Doctrine, which contradicts the isolation doctrine, U.S. intervention was justified when a country on the American continent was threatened by powers from other continents.

However, in the case of Argentina and its defense of the Malvinas against Great Britain, Reagan disregarded yet another traditional U.S. position and dumped the Monroe Doctrine by siding with Great Britain.

Reagan's most recent blunder has been to force the resignation of the top man in his government, the man who helped him to shape foreign policy. Gen Alexander Haig, a man of strong spirit -- tough, if you prefer -- had adopted a tough but gentle policy, just as he admitted in his letter of resignation. It seems farfetched, but General Haig, his tough spirit notwithstanding, held the civilized view that, even though it is a world power, the United States should engage in dialogue and reach understandings with its opponents in political affairs and with its rivals in economic affairs.

International political analysts must be asking themselves just how tough Mr Reagan's stand against opponents to the United States is, since the harshness evident in General Haig's statements was apparently not enough. Incidentally, we feel that instead of harshness, Haig's statements showed signs of a softening in policy.

Even though the U.S. Constitution authorizes the President to direct U.S. foreign policy as he sees fit, it goes without saying that this must be done with reason and intelligence. Reagan, however, has forsaken these two principles and seems bent on provoking a world conflagration that, considering the latest developments in arms technology, would probably be the last large-scale war on earth.

We, the Hondurans, are suffering because of the current U.S. leader's lack of foresight. We are a showcase for the capitalist system. We are allies -- one of the United States' best allies. And we are certainly an example for the democratic world; in Honduras, we solve our problems democratically and reject the exotic theories that an extravagant totalitarianism wants to impose on us.

However, we need U.S. economic support and this need is placing us in such a desperate position that it now seems that the U.S. Government itself is intent on promoting armed revolt in Honduras. Nothing less can be assumed when the U.S. financial organizations that depend on Washington will grant us economic aid only if the Honduran Government levies increasing taxes on the Honduran people.

It seems that Mr Reagan is convinced that the United States must swiftly approve only one kind of assistance; military aid. Even though all countries need it, we think that in our case this kind of aid is of small worth compared to the general aid that we need to solve our biggest and most urgent problems.

While Honduras currently needs aid to strengthen a constitutional government that was freely elected by the people, it is also faced with the dilemma of an economic crisis. This crisis was provoked by the constant plundering by unscrupulous leaders, who emptied the national treasury while in power.

Who will help us solve this crisis? It seems that for the time being we won't find the solution in that northern nation, because Reagan's mind is far from the problems of his humble allies in Central America.

Never before have we seen U.S. economic and military power plunge so dangerously downhill. The United States is being left more and more alone every day, without any friends. Without friends, they won't be able to sell their technology so easily. Sooner or later, the ill-fated decisions by Mr Reagan and his ultraconservative Republicans will lead that great northern nation to chaos, and the worst thing about it is that all of our countries will be dragged into the maelstrom as a result.

NICARAGUA

INDUSTRY MINISTER LEADS DELEGATION TO CUBA

PA010041 Managua Radio Sandino in Spanish 1830 GMT 30 Jun 82

[Text] A high-level Nicaraguan Government delegation led by Industry Minister Emilio Baltodano Cantarero has gone to Cuba, where they will attend a briefing on USSR supplies and raw materials that will later be purchased from the Soviet Union with previously approved lines of credit. The supplies and raw materials include paper, steel, synthetic calcium, etc and will be purchased with new lines of credit. During the [words indistinct] equipment for the weaving, spinning and towel factories that the Nicaraguan Government will install.

The delegation consists of Emilio Baltodano Canterero, Nicaraguan industry minister; (David Callejas), chemical, pharmaceutical, paper, plastics and food industries director; and (Omar Gonzalez), people's industrial corporation planning director.

ARMY DESTROYS 10 COUNTERREVOLUTIONARY BANDS

PA281715 Havana International Service in Spanish 0000 GMT 28 Jun 82

[Text] The Nicaraguan Defense Ministry has announced that the Sandinist armed forces destroyed 10 counterrevolutionary bands during the past 30 days. Likewise, 10 counterrevolutionary group leaders were killed in the clashes. The ministry also said that three counterrevolutionary guerrillas died during an armed clash on 22 June, and that counterrevolutionary leader (Mateo Garcia) was killed during a military operation the following day. The Defense Ministry report says that on 23 June (Jose Clodomiro Echevarria), and armed forces reserves member, was killed during a clash.

BORGE ON INTERNATIONALIST AID, USSR ASSISTANCE

PA010147 Managua EL NUEVO DIARIO in Spanish 23 Jun 82 pp 1, 11

[Text] French-speaking Canadian volunteers from the Province of Quebec have come to Nicaragua to buy materials for the construction of a school in the town of Teustepe. Yesterday, they visited Tomas Borge, interior minister and commander of the revolution. The minister told them: "It is wonderful to see Christians like you come here to buy materials for building, when other people believe that being Christian means telling lies, to build disgrace and to discredit our revolution."

The group is composed of 31 men and women of various ages. It is called "friendship" and is led by Father Roger Fortin, who is a parish priest and school principal in Canada. They arrived at the minister's office in the company of Father Alfonso Alvarado Lugo, parish priest from Teustepe, located in Boaco Department, who said that the school will be completed by the townspeople in two stages. The first involves six classrooms, while the second includes an additional six classrooms, space for the administration and a library.

Borge added that "more important than the school is the invisible building of solidarity and the construction of the building of truth about our revolution. Each time you tell a small truth there about Nicaragua it will be as if you were building a small school here," he added. "Christ," the minister recalled, "did not find truth inside the synagogue but near the sea, among humble fishermen. I don't have to tell you what this revolution is; you will find the truth about this revolution among the people."

Human Rights First

He added that one of the most important things about this revolution is its progress toward respect for human rights, from the standpoint of individual rights. "We have even invited OAS and UN human rights groups to come here, and they have done so. I find it interesting that while we open our doors to them, other governments, like those of Guatemala and Chile, close them."

"Therefore, it seemed a distasteful joke when Thomas Enders, U.S. assistant secretary of state, said that there are only two dictatorships in Central America, those in Guatemala and Nicaragua."

Inferiority Complex?

"In connection with the Malvinas Islands, Enders said that the Latin American governments are probably displeased with the U.S. attitude due to the inferiority complex that all countries in Latin America have. However, only those who go there and kiss their feet have an inferiority complex. Somoza had it, as do the gorillas and those who go to the United States asking for crumbs."

"We have neither an inferiority complex nor a superiority complex; we have confidence in ourselves. As Commander Bayardo Arce said recently, we are not begging or imploring. We ask only to be left in peace, because, as things now stand, we have to divert resources and energy to the defense of the revolution," Tomas said.

Enemies of Enemies

"Our dearest hope is to be able to open this window and see, not soldiers, but workers everywhere. Please say there that we are enemies of the enemies of mankind, who are also the enemies of Bolivia, Chile, Indochina and the U.S. people themselves. We are enemies of those who do not realize that humanity's survival is at stake and who are constantly blackmailing and threatening. They are surprised that this small country is struggling against blackmail. We would rather disappear under a deluge of thermonuclear bombs than kneel."

He Praises Work

Minister Borge stressed the importance of the internationalist work being done in Teustepe by his Canadian visitors and, in all justice, he also praised the work being done by several hundred Christian nuns, whom he described as "sweethearts to the entire country, who help us in the schools, the hospitals and the communities, spreading joy and well-being everywhere."

When it was pointed put to him that some nums had also joined the militias, Commander Borge said that "the militias are a guarantee of life, because without them our enemies would have already crushed us and we would again be experiencing war and destruction."

Difference Among Armies

He noted that our people's army is larger and better than any other in the area, because of genocidal guardsman is not the same as one of our militiamen. "I don't want to refer to a recent war in the southern part of the continent," he added, "but we will defend this country; all of the gorillas must already know that any enemy who comes here will not be able to leave again."

They Leave But They Stay

Borge subsequently thanked the Canadians for their beautiful gesture in Nicaragua and told them: "You are leaving, but you will also remain, because the fact that you built a school means that you will stay here forever." He replied to questions from his visitors and explained to them that talking about the assumption of power is more difficult than actually doing it, "because while we earlier fought and defeated the instrument -- the Somozist dictatorship — we now have to fight and prepare to defeat the instrument's powerful owner. The struggle now is against imperialism in its entirety and against the inheritance from the past; poverty and underdevelopment," he noted.

Soviet Imperialism?

A Canadian visitor told Borge that in Canada, imperialist propaganda is causing the people to believe that if Nicaragua becomes independent from U.S. imperialism it will inescapably fall into the clutches of what they call "Soviet imperialism."

In response to this lie, which international reactionaries are trying to pass off as truth both in Canada and in other parts of the world, Borge said: "There is only one imperialism in the world and it has various specific methods of control, through use of economic domination and the pillage undertaken by its transnationals.

"We needn't be worried as long as no one comes here and tries to dominate us economically. The Soviets have helped us, but so far they have not suggested, and I am sure that they will not suggest, the installation of trusts and monopolies. Neither will they ask us to give them concessions over our natural resources."

The commander explained: "We have our own revolution, with its own style, personality and profile. If there is concern that we will establish a regime like that of the USSR, our answer is no; like Cuba, we say no, beause a true revolution does not mimic others."

RADIO VIEWS HONDURAN INTERVENTION IN EL SALVADOR

PA291735 Havana International Service in Spanish 2310 GMT 28 Jun 82

["Our America" commentary]

[Text] A new and dangerous escalation of the U.S. policy of interference in the Central American countries has just taken place in El Salvador, where more than 2,000 Honduran soldiers invaded Salvadoran territory to fight alongside the troops of the genocidal regime. In accordance with U.S. interventionist plans, Honduran soldiers have for quite some time been participating in punitive actions against Salvadoran peasants in the areas close to the border between the two countries. However, a massive invasion such as the one being denounced now had never occurred before.

Commander Joaquin Villalobos, member of the FMLN general command, has charged that on 26 and 27 June, some 2,000 Honduran soldiers invaded Salvadoran territory in the areas of (Platantes), El Alumbrador Hill, Sabanetas, Joateca and Corinto. The denunciation states that these actions are a barefaced intervention by an army which violates the sovereignty of the Salvadoran territory and begins to attack its people.

The intervention begun now is on a much larger scale and is part of the role that the current U.S. Government has given to the Honduran Army. The FMLN charged that this is the first step by the Honduran Army toward regionalization of the conflict in Central America. It added that the main objective is to try to save the Salvadoran regime's army from total crisis. Despite concentrating more than 6,000 men against only one of the guerrilla fronts, that of Morazan, the army has suffered very serious defeats in recent weeks.

The denunciation of the Salvadoran revolutionaries added: The intervention of the Honduran Army does not worry or alarm us, because we expected it. And we are prepared to confront those forces without halting the victorious march of the FMLN. What we do regret, they indicate, is that a brother people now ruled by General Alvarez and his puppet, Suazo Cordova, have to suffer the consequences of the war only because Washington has ordered their leaders to fulfill that mission. The adventure that the Honduran rulers have now begun could lead to serious consquences for peace in the Central American region, since imperialism is uniting against our people the reactionary forces of all the region and we cannot sit back and do nothing. In view of the above, our people and the international community must know that since this action is a large-scale aggression against El Salvador, our troops, which so far had been respectful of the forces of a supposedly neutral nation, have been instructed to enter into combat against the Honduran Army. The Honduran Army has crossed our fatherland's borders and this gives us full right to fight anywhere in its territory when the needs of this war so require it. It is a war in which they have begun to involve themselves as interventionists.

The FMLN denunciation concludes with the following appeals: We call on the international community to take action in this first step of aggression and massive intervention against the Salvadoran people by the Honduran Army. We call on the Honduran democratic forces to express their opinion and to take measures against this action which threatens peace. We call on the Honduran revolutionary movement to deepen and accelerate the armed struggle in their fatherland to defeat the military dictatorship which currently governs that country and which is leading it to the path of war against the Honduran people and the brother peoples of Central America. The victorious advance of our people, the FMLN communique stated, will not be stopped by any invading force.

VENEZUELAN SUPPORT FOR BETTER RELATIONS NOTED

FL291942 Havana Domestic Service in Spanish 1915 GMT 29 Jun 82

[Text] Venezuelan President Luis Herrera Campins has said at his customary bimonthly press conference that he wants to normalize relations between his country and Cuba.

After noting that the situation between Cuba and Venezuela should be overcome on the basis of respect for different forms of government, the Venezuelan president stressed that he considers it imperative to begin reducing friction with Cuba.

Observers believe that pressure from various political and social sectors in Venezuela has persuaded Herrera Campins to come out in favor of normalizing relations with Cuba. Experts also consider that the process of easing tensions on the part of Venezuela vis-a-vis our country began with the British-U.S. aggression against Argentina and the Nonaligned Movement's exhortation to Guyana and Venezuela to negotiate their territorial dispute.

Venezuela's deputy foreign minister, (Oswaldo Paez Pumar), said that the general opinion in his country was that the government should proceed to improve its relations with Cuba. For his part, former Venezuelan President Carlos Andres Perez said he also favored the normalization of relations with our country, a view that echoes that of another former president, Rafael Caldera.

Carlos Andrez Perez told Venezuela's LA NACION that he had always wanted the normalization of Venezuelan-Cuban relations and that he is constantly criticizing the way in which the Herrera Campins government has handled relations with Cuba. Herrera Campins' statement about his desire to normalize relations with Cuba has met with widespread popular support.

GUYANA BACKED IN DISPUTE WITH VENEZUELA

FL292025 Bridgetown CANA in English 1915 GMT 29 Jun 82

[Text] Georgetown, Guyana, June 29, CANA -- Cuba has agreed to back Guyana in its territorial dispute with neighbouring Venezuela, according to a memorandum of cooperation between Havana and Georgetown published here.

According to the agreement, signed by the foreign ministers of the two countries, three weeks ago, Guyana reaffirmed its condemnation of the U.S. blockade of Cuba and supported calls for the withdrawal of the American naval base at Guantanamo in Cuba.

A joint communique published by the government here said that Cuba "expressed its concern over the danger which the claim to the western Essequibo presents to Guyana. It reiterated its support for Guyana, and demanded strict compliance with the main principles of the Non-aligned Movement regarding the inviolability of legally established international borders."

Venezuela is claiming nearly 70 per cent of Guyana and recently refused to renew an agreement under which the dispute was shelved for 12 years.

Under the Cuba-Guyana agreement, Georgetown "reaffirmed its condemnation of the economic blockade imposed on Cuba and called for its immediate and unconditional cessation. It also reaffirmed its solidarity with the just demand of Cuba regarding the withdrawal of the Guantanamo naval base held against the sovereign will of the Cuban people."

The memorandum said that both ministers "reaffirmed their support for further strengthening of such regional institutions as CARICOM (Caribbean Community), to which Guyana belongs, and SELA Latin-American Economic System and OLADE Latin American energy organisation to which they both belong." They agreed that the turmoil in the Caribbean and Central American areas "was being created and aggravated by persistent economic problems" and that national efforts to solve them could be complemented by increased co-operation among states in the region.

The ministers also called for "strict adherence to the principles of non-interference, non-intervention and none-use of force in the affairs of state in the region" and "condemned all attempts at economic aggression and isolation of the countries of the Caribbean and Central America."

GROUP MARKS DRIVE OF SOLIDARITY WITH URUGUAY

FL291816 Havana Domestic Television Service in Spanish 1700 GMT 29 Jun 82

[Text] The ceremony marking the end of days of solidarity with the Uruguayan people was held at the main offices of the Cuban Institute of Friendship with Peoples [ICAP].

An emotional moment during the ceremony was the playing of a short speech by Gen Liber Seregni, the jailed president of the Broad Front. Hugo Villar, executive secretary of the Broad Front, noted in a speech what he termed an enormous debt of gratitude of the continent's peoples and others for Cuba's great contribution to the liberation of the peoples. For his part, ICAP Vice President Alfonso Guillen Zelaya paid tribute to Gen Liber Seregni and to all combatants imprisoned in Uruguay.

Press Conference

FL300118 Havana Domestic Television Service in Spanish 0000 GMT 30 Jun 82

[Text] Hugo Villar, executive secretary of Uruguay's Broad Front, held a press conference today at the Cuban Institute of Friendship With Peoples [ICAP]. The Uruguayan leader once again denounced the military dictatorship repressing his people and laid bare the regime's political machinations to institutionalize the dictatorship using Nazi-type tactics. Villar told of the serious economic and political crisis the country is suffering and the subhuman conditions to which political prisoners are subjected.

Speaking of the status of the revolutionary movement, he emphasized: [Begin recording] The people's movement has managed to keep its organizations. The dictatorship has been unable to organize a single "yellow" trade union, for example. This is a great victory under present circumstances, and it has been unable to destroy the leftwing political movement or even to get any political group to support it. I do not know if what I am saying is completely clear. I mean the following: There are dictatorial regimes that have been able to set up their own political movements, forces that back and support them by various means. In Uruguay, the dictatorship has not achieved this objective. Not only has it failed to form a single "yellow" trade union; there is not a single political group supporting the regime.

There are different forms of opposition. At present, the Broad Front is the most radical sector ~~in the country~~. The National Party provides clear frontal opposition and the Liberal Party takes a more opportunistic position but it does not support the regime at all.

At this time, conditions are not right for armed struggle in our country. Conditions are not right at present or in the short term. But no one in Uruguay is discarding the possibility of using armed struggle should other means fail. [end recording]

ECONOMIC COOPERATION TALKS BEGIN IN MOSCOW

FL282237 Havana Domestic Service in Spanish 2130 GMT 28 Jun 82

[Text] Moscow -- The 12th session of the intergovernmental committee for economic and scientific-technical cooperation between the USSR and Cuba has begun in this capital. Soviet Deputy Chairman Konstantin Katushev and Cuban Vice President Carlos Rafael Rodriguez are presiding over the meeting. In his opening remarks, Katushev said that at a time when the United States was stepping up its economic and commercial blockade against socialist countries, the implementation of Cuba's economic development plan until the year 2000 was of particular importance.

Katushev reported that the committee will examine commercial and economic cooperation for 1982, the execution of major objectives in the areas of science and technology, and a solution to fuel supply problems. The committee will also review how the construction of the electronuclear plant in Jaragua is coming along, several new (?projects) including the rehabilitation of the nickel industry at the Punta Gorda, Moa and Nicaro plants, a textile complex under construction, and sea and land transportation.

Rodriguez Remarks

FL291320 Havana Domestic Service in Spanish 1000 GMT 29 Jun 82

[Excerpts] The 12th session of the Soviet-Cuban intergovernmental committee for economic and scientific-technical cooperation continues today in Moscow headed by Soviet Deputy Chairman Konstantin Katushev and Cuban Vice President Carlos Rafael Rodriguez.

Responding to Katushev, Carlos Rafael Rodriguez said the imperialist aggression had adversely affected Cuba, not only from the military and trade point of view, but also -- and even more severely in the recent past -- in its foreign economic relations. The Cuban leader said the White House had openly confessed it had two objectives regarding Cuba and both are aimed at destroying socialism. One is aimed at crushing the Cuban revolution and the other is to separate Cuba from the Soviet Union. But, Cuba will neither surrender nor sell out, and is strong because its relations with the Soviet Union and other socialist states are also strong, he said.

Carlos Rafael Rodriguez added that this year Cuba will not achieve the same rate of growth as last year -- when it attained 12 percent -- due to the fall in sugar prices, intensification of U.S. imperialist aggression and adverse climatic conditions suffered. The Cuban leader stressed that this 12th session demonstrates the stable course of the Cuban economy.

More on Talks

For reportage on the visit to the Soviet Union by a delegation led by Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers, in connection with the 12th session of the intergovernmental commission for economic and scientific-technical cooperation, see the Latin America & Caribbean section of the 30 June Soviet Union DAILY REPORT and subsequent issues.

PCC'S DORTICOS TAKES PART IN VISIT TO SFRY

FL302228 Havana Domestic Service in Spanish 2130 GMT 30 Jun 82

[Text] Belgrade -- Osvaldo Dorticos Torrado, a member of the Communist Party of Cuba [PCC] Politburo, has left Yugoslavia at the end of a 5-day visit to that country. Dorticos headed the PCC delegation which was a guest at the 12th Congress of the League of Communists of Yugoslavia [LCY].

The congress met for 4 days at the (SABA) conference center in Belgrade. The other members of the Cuban delegation were Ambassador to the SFRY Aramis Fuentes Hernandez and PCC Central Committee official Juan J. Cardenas. Dorticos delivered a message of greetings from the PCC to Dusan Dragosavac, president of the LCY presidium up to the end of the congress. Dorticos and his delegation met with Yugoslav leaders and delegations from several countries attending the congress. They met with Milos Minic, member of the LCY Presidium, with whom they exchanged views on the international situation and other topics of mutual interest. Dorticos also met with (Huran Milic), member of the Presidium of the League of Communists of Croatia.

SOVIET COSMONAUT NIKOLAYEVA-TERESHKOVA ARRIVES

FL291232 Havana Domestic Service in Spanish 1100 GMT 29 Jun 82

[Text] In response to an invitation by the Federation of Cuban Women [FMC], the world's first woman cosmonaut, Valentina Nikolayeva-Tereshkova, chairman of the Committee of Soviet Women and member of the CPSU Central Committee, has arrived in our country. On hand to welcome the distinguished visitor were Vilma Espin, member of the party's Politburo and president of the FMC, and Esther Veliz, member of the FMC secretariat. Vladimir Goncharenko, minister adviser at the USSR Embassy in Cuba, was also present.

RISQUET ARRIVES IN MOSCOW FROM GHANA VISIT

FL301859 Havana Domestic Service in Spanish 1802 GMT 30 Jun 82

[Text] Jorge Risquet Valdes, a member of the Communist Party of Cuba Politburo and Central Committee Secretariat, arrived in Moscow today from Ghana, the last stop of an African tour. During his stay in Ghana, Risquet met several times with Jerry Rawlings, chairman of the provisional national defense council, to whom he delivered a message from our commander in chief, Fidel Castro. Risquet also met with representatives of 4 June, the New Democratic Movement, the people's defense committees, students and many other government officials and leaders.

Jorge Risquet spoke in the Soviet capital about the demonstraitons of friendship accorded to him and his delegation by the Ghanaian people, best expressed during his visit to the (Ghiti) factory in Kumasi.

PALESTINIAN ATTACHE SEES U.S. AS 'NO 1 ENEMY'

PA300447 Havana International Service in Spanish 1800 GMT 29 Jun 82

[Excerpt] The Palestinian resistance, the Lebanese national movement and the Syrian forces stationed on Lebanese territory are currently the strongest defenders of Arab people's honor, according to (Inad Haddad), trade attache at the PLO Embassy in Cuba.

(Haddad) spoke at a roundtable on the Arab people's struggle against Zionism, imperialism and reaction that began here in Havana on Tuesday. This roundtable is being sponsored by the AALAPSO.

The diplomat added that the Arab nations should pressure the enemy by breaking relations with the United States, imposing an embargo on oil to Israel and giving effective military aid to the Palestinian and Lebanese fighters who are resisting the Zionist attacks.

(Inad Haddad) recalled that Israel would not have attacked Lebanon had it not had the support of Washington, the Arab nations' No 1 enemy. In conclusion, he praised the Cuban people's extraordinary solidarity with the Palestinian fighters, demonstrated by Cuban Foreign Minister Isidoro Malmierca's recent visit to Lebanon. He added that Havana is much closer to Beirut and Jerusalem today than are most the Arab capitals.

COLOMBIA

IMPROVED RELATIONS SEEN WITH SHULTZ APPOINTMENT

PA300343 Paris AFP in Spanish 0237 GMT 30 Jun 82

[Excerpt] Bogota, 29 Jun (AFP) -- Colombian Foreign Minister Carlos Lemos Simmonds said today that U.S. policy toward Latin America and the Caribbean will not change substantially with the appointment of George Shultz as secretary of state. However, Lemos added that Shultz' knowledge of Colombia will surely help improve bilateral relations.

In this respect, it was recalled that Shultz was closely connected in Bogota with the planning, construction and initial operation of the Cerromatoso mining and metallurgical complex in northern Colombia, where some 60,000 tons of nickel will be mined annually.

FARC GUERRILLAS KILL TWO ARMY 'INFORMERS'

PA301845 Bogota Radio Santa Fe in Spanish 1730 GMT 30 Jun 82

[Text] Bucaramanga -- The Revolutionary Armed Forces of Colombia, FARC, have carried out a new action, killing two women in the rural area of Bolivar. The two, who were shot to death by the guerrillas, were identified by 5th Brigade officers as (Ernestina Mogoyon de Lopez) and (Mercedes Quiroga de Ramirez). The guerrillas killed them because they were informers for the 5th Brigade. An official spokesman said 5th Brigade troops had been treated very well at the farm of one of the victims.

JAMAICA

PROFESSOR CHARGES GUYANA SITUATION DISGRACEFUL

FL291430 Kingston Domestic Service in English 1000 GMT 29 Jun 82

[Excerpt] The president of the School of Education at the University of the West Indies, Dr Errol Miller, has described the political and economic situation in Guyana as a disgrace to the Caribbean. He has called on the people of the region to pressure the government of President Forbes Burnham to force it out of power.

Addressing Credit Union members recently, Dr Miller said the economic crisis facing Guyana is due to corruption in the Burnham administration.

VENEZUELA

VISITING NICARAGUAN MINISTERS SEEK OIL CREDIT

PA301235 Paris AFP in Spanish 0040 GMT 30 Jun 82

[Text] Caracas, 29 Jun (AFP) -- It was learned here today that two Nicaraguan ministers, Edmundo Jarquin and Emilio Rappaccioli, asked Venezuelan President Luis Herrera Campins for a Venezuelan oil supply credit with a financing term of 5 years.

Jarquin and Rappaccioli explained to Herrera Campins why Nicaragua needs this energy credit -- whose figures were not disclosed -- to help solve its critical situation resulting from recent floods and the devastating effects of a hurricane. The hurricane, which devastated the country 3 weeks ago, caused $350 million damage, they stressed, and noted that Nicaragua lost 20 percent of its exports last year because of the world economic crisis.

The presidential press office did not report the Venezuelan president's reply.